

## HOUSE BILL NO. 355

INTRODUCED BY M. JOPEK

A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 3, OF THE MONTANA CONSTITUTION AUTHORIZING THE LEGISLATURE TO LIMIT THE VALUATION OF AN OWNER-OCCUPIED PRINCIPAL DWELLING FOR PROPERTY TAX PURPOSES TO ACQUISITION VALUE; AUTHORIZING ANNUAL INFLATION ADJUSTMENTS TO THE VALUE; ALLOWING ADJUSTMENTS BASED UPON REMODELING, IMPROVEMENT, OR DESTRUCTION OF THE PROPERTY; AND AUTHORIZING OWNERS OF OWNER-OCCUPIED PRINCIPAL DWELLINGS WHO ARE OVER 65 YEARS OF AGE TO HAVE A SECOND DWELLING VALUED AT AN INFLATION-ADJUSTED ACQUISITION VALUE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

**"Section 3. Property tax administration -- valuation.** (1) The Subject to the provisions of subsection (2), the state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

(2) (a) Equalization may include the valuation of owner-occupied principal dwellings based upon a property's acquisition value, as established by law, at the time of sale, exchange, or trade.

(b) The value of an owner-occupied principal residence valued by acquisition value may be adjusted in a method set by the legislature:

(i) annually based upon the rate of inflation, not to exceed 2 percent; and

(ii) upon the remodeling, improvement, or destruction of the property.

(c) Owners of an owner-occupied principal dwelling valued by acquisition value who are 65 years of age or older may designate a secondary dwelling to be valued based upon an inflation-adjusted acquisition value."

**NEW SECTION. Section 2. Submission to electorate.** This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 2006 by printing on the ballot the full title of this act and the following:

1           []     FOR allowing owner-occupied principal dwellings to be valued by acquisition cost with  
2                     adjustments for inflation and change and allowing an additional dwelling for the elderly.  
3           []     AGAINST allowing owner-occupied principal dwellings to be valued by acquisition cost with  
4                     adjustments for inflation and change and allowing an additional dwelling for the elderly.  
5                                 - END -